EXHIBIT "A" PRODUCER PAYMENT SCHEDULE

- I. Start Up Payments. Producer shall be paid the sum of \$97.26 per day for each 1000 head barn in Producer's facility. The \$97.26 per day payment shall commence with NFP's first delivery of pigs to a barn and shall end on the day of the next month when the payment revolves to a continuous payment.
- II. Base Pay. Producer shall be entitled to receive a base pay of \$2,958.33 per month per barn until such time as the entire amount of indebtedness for the facilities, to the third party lender, has been paid. At that point in time NFP reserves the right to extend the contract for a period of ______ years, and adjust the base pay per month to a mutually agreeable base pay that will not exceed \$2,833 per month.
- III. Adjustment to Base Pay. If producers propane and electrical cost exceed \$1,800 per year, NFP will adjust the base pay to \$3,000 per month, upon review of producer's costs. Utilities costs will be reviewed after 12 months of facility operation, and then reviewed on an annual basis.
- IV. <u>Miscellaneous</u>. It is the Producer's responsibility to provide all necessary and accurate information with respect to the preparation of production data for his facilities. Pailure to provide necessary records in a timely manner and inaccuracies concerning mortality and the number of pigs moved out or marketed will delay the contract payment.

Producer is responsible and liable for all missing pigs. The official head count at the start of the group will be based upon the actual count by the producer and representative of NFP. Any "missing pigs" will be the responsibility of the producer.